

S-E-C-R-E-T

P. Liaison

1 May 1967

MEMORANDUM FOR: Deputy Directors
Heads of Independent Offices
Operating Officials

SUBJECT : Financial Agreements with Other Government
Agencies

REFERENCES

: (a)
(b)

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1. Occasionally, difficulties are experienced as a result of financial commitments made to other U.S. Government agencies without proper internal coordination or policy approval. Recently, there have been instances when commitments to pay for services from other Government agencies, as well as commitments to render services or undertake activities on behalf of other Government agencies, have been made without adequate internal coordination of the policy, technical, and fiscal aspects of such commitments.

2. Most arrangements made with other Government agencies to obtain services (including personal services) or material, or to furnish services or material, are evidenced by a written agreement, contract, purchase order, or letter of intent; and very little difficulty is experienced in administering such formal agreements. Most of the difficulties arise in those cases where the complexity or sensitivity of the arrangements precludes the execution of a formal inter-agency agreement setting forth all the terms and conditions necessary for proper understanding and administration of the agreement. When security or operational considerations preclude definitive formal agreements, an internal memorandum, setting forth the definitive terms of the oral agreement and containing proper approval, shall be made a matter of record and a copy forwarded to the Executive Director-Comptroller. The fiscal aspects of all such agreements should be coordinated with the Director of Finance, who is responsible for insuring that all obligations made to other Government agencies and all receivables due from other agencies are properly recorded in this Agency's accounts; that appropriate reimbursements are made

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or received; and for establishing and maintaining liaison to service all financial aspects of the agreement. The Director of Finance will review all inter-agency financial agreements to insure that they have received appropriate internal approval before the financial arrangements are finalized.

3. All officers who participate in activities which involve providing services or materials to, or receiving services or materials from, other Government agencies must exercise maximum care to insure that the substantive, technical, and fiscal aspects of any proposed inter-agency agreement are fully coordinated within the Agency with representatives of all Directorates concerned prior to making any commitment to another agency. Proposed agreements involving policy or resource implications such as those enumerated below will be cleared with the Director, Planning, Programming and Budgeting and receive approval of the Executive Director-Comptroller:

a. Agreements of such magnitude that reprogramming or reallocation of funds will be required.

b. Agreements involving significant new policy, or questions which reasonably indicate the desirability of establishing an Agency-wide policy.

c. Agreements involving provisions which must be cleared with or reported to the Bureau of the Budget.

d. Agreements which might be in conflict with, or overlap on, other existing agreements or understandings with high level officials of another agency.

e. Agreements involving activities of such complexity, sensitivity, or import that the Deputy Director of Central Intelligence or the Director of Central Intelligence should be apprised of the arrangement.

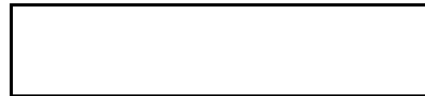
f. Agreements for use of Agency funds or resources in support of operations or activities that have not received policy approval for Agency participation.

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4. No Officer of the Agency is authorized to make any financial commitment to another Government agency without first insuring that the terms of the commitment are defined and documented and that it has received proper internal coordination and approval.



L. K. White
Executive Director-Comptroller

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